



DEPARTMENT OF PLANNING  
STAFF REPORT

**PLANNING COMMISSION PUBLIC HEARING**

**DATE OF HEARING: July 16, 2007**

**PROJECT NUMBER/NAME:  
CPAM 2007-0001, HOUSING POLICIES**

**DECISION DEADLINE: 90 days from Planning Commission Action**

**ELECTION DISTRICT: Countywide    PROJECT PLANNER: Cindy Keegan**

**EXECUTIVE SUMMARY**

On April 3, 2007, the Loudoun County Board of Supervisors initiated an amendment to the Loudoun County Comprehensive Plan to broaden and update countywide housing policies (CPAM 2007-0001, Housing Policies). The proposed policies, initially developed by the Housing Advisory Board (HAB), include providing a focus on the housing need for households with incomes from 0% to 100% of the Washington Area Median Income (AMI). Proposed policy revisions would clarify the County's continuum of housing need and provide direction for program initiatives to address the need. The CPAM would amend the Revised General Plan Chapter 2, Planning Approach, by replacing existing Housing Policies with revised policies that support the development of housing to fulfill unmet housing needs and by adding definitions to the Glossary that support the proposed policies (Attachment 1 & Attachment 2).

**SUGGESTED MOTIONS**

1. I move that the Planning Commission forward CPAM 2007-0001, Housing Policies to a Committee of the Whole on September 10, 2007 for action.

OR

2. I move an alternate motion.

## **BACKGROUND:**

In July 2005, the Board of Supervisors appointed a twelve member Housing Advisory Board (HAB) to study the supply and demand for affordable housing and recommend housing policies and programs to address the County's needs. The HAB commissioned the AECOM<sup>1</sup> study that compared the County's housing supply with existing and projected job growth to determine whether there are workers in the County who live elsewhere because there is a shortage of affordable housing. Based on this study and subsequent policy discussions with the Affordable Dwelling Unit Advisory Board (ADUAB), the HAB forwarded revised housing policies to the Board of Supervisors for consideration. On April 3, 2007, the Board of Supervisors initiated an amendment to the Loudoun County Comprehensive Plan to broaden and update countywide housing policies (CPAM 2007-0001, Housing Policies).

## **AECOM STUDY**

The study's principal conclusion, drawn from a comparison of thirty-one peer counties with similar populations, relatively high earnings, and suburban characteristics, determined that there is a shortage of both rental and for-sale units available for Loudoun's workers. This shortage results in a disproportionate number of workers in four major sectors of the County's economy, (retail, local government including teachers, police and firefighters, warehouse and transportation including Dulles Airport) who represent approximately 44% of the workforce, commuting into Loudoun for employment. The study shows that the average annual salary for workers in these industries in 2005 does not provide adequate income to support the average price of a new or existing housing unit, which is \$568,959. The study estimates that in 2003, an additional 12,578 affordable housing units were required to house these selected in-commuting workers in the industries in which a disproportionately large amount of in-commuting occurred. That figure is projected to increase to 29,836 affordable units by 2030, for these workers.

As Loudoun County's population grows, additional workers are needed in most of the affected industries, exacerbating the housing affordability problem. The study also shows that approximately 50% of Loudoun's residents commute to relatively high paying jobs outside the County, in the federal government, educational and health services, and information industries. The higher priced housing being produced in the County may be more affordable to out-commuting workers.

The AECOM study identifies a shortage in rental housing options that is expected to worsen over time for households up to 60% of the Washington Metropolitan Statistical Area Median Income (AMI). Over time, the rental housing shortage is expected to worsen for households at incomes from 10% to 50% AMI with the

---

<sup>1</sup> A copy of the AECOM study and executive summary are available at [www.loudoun.gov/planning/housing](http://www.loudoun.gov/planning/housing) and in the Department of Planning.

most severe shortage in 2030 for households at 50% AMI. Likewise, the study shows that there is a shortage of affordable homeownership opportunities for households from 50% to 100% AMI that will worsen over time, especially for incomes at 80% AMI. The study showed that a majority of Loudoun County households earns more than 125% AMI. However, to maintain a healthy, vigorous economy, Loudoun's business community needs an adequate workforce which has a variety of housing options for workers of all industries and all income levels.

### **PROPOSED POLICIES**

The proposed policies are based on the following principles: residents and workers should be served by a range of housing opportunities; housing diversity is important to the health of the community; the market cannot meet all areas of need; and, programs and other initiatives are required to address the needs of residents and workers priced out of the market.

The proposed amendment removes outdated information, re-arranges existing policies into categories, and adds new policies and definitions that clarify the county's ongoing need for affordable housing and provides direction for program initiatives to address the need. More specifically, the proposed policies focus on the housing need for households with incomes from 0% to 100% of the Washington Area Median Income (AMI, \$94,500 for 2007). The proposed policies also speak to:

- Locating near transit and employment opportunities,
- Bringing affordable housing up to safe and livable conditions,
- Incentives to encourage private investment,
- Regional cooperative efforts,
- Prioritizing public land and resources,
- Universal design, and
- Energy efficiency.

### **CURRENT PLAN POLICIES**

The County's current housing policies were adopted in July 2001 as part of the Revised General Plan. The Plan's primary housing objective is to assure that all existing and future County residents can be served by a range of housing opportunities. The Plan also states that housing for special populations incorporating a programmatic approach must be furnished.

Since 2001, the County has experienced a disproportionate number of workers who commute into Loudoun every day. As demonstrated in the AECOM study, housing prices and rents are becoming too costly for many workers and the greatest need for housing is for those workers at 100% or below AMI.

The proposed policies generally define unmet housing needs as the lack of housing available for households that earn up to 100% AMI. Under current County adopted ordinances and programs, the County's adopted definition for "affordable" housing is housing affordable to County residents with incomes ranging from 30 percent to 70 percent of the median income. There is a need for housing for residents and workers that earn up to 100% AMI and the proposed policies provide the flexibility to address housing needs on a broader basis through a variety of approaches.

The lack of affordable housing for residents and workers is recognized as an economic, transportation, and quality-of-life issue. Without specific policy direction for addressing unmet needs as defined, deficits will continue over time. The proposed policies provide the policy framework and programmatic direction for starting to address these needs.

### **SCOPE OF ACTIVITIES**

The Planning Commission began work on the CPAM in May 2007 and has since held a Public Input Session and several Worksessions on the proposed policies<sup>2</sup>. Nine members of the public provided comments at the input session, with eight speakers expressing strong support for the proposed amendment. Members of the Housing Advisory Board have provided technical assistance to the Commission throughout the public process and provided several presentations to the Commission.

### **ATTACHMENTS**

1. CPAM 2007-0001, Housing Policies, new text/strike-through text shown (*pg. A-1*)
2. CPAM 2007-0001, Housing Policies, proposed changes incorporated (*pg. A-11*)

---

<sup>2</sup> Copies of plan amendment documents and presentations are available at [www.loudoun.gov/planning/housing](http://www.loudoun.gov/planning/housing) and in the Department of Planning.